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DECONTROL
ArgentinaWHEAT CONSULTATIONS

(to be used only if raised by GOA)

I. STATEMENT OF PROBLEM

Argentina is the sixth most important world exporter of wheat, and has far greater potential. It is interested vitally in the possibility of a new international wheat agreement. The present consultative agreement expires in June 1978.

II. FOREIGN GOVERNMENT POSITION

Argentina seeks stable wheat prices and a sharing by importers of the burden of periodic surpluses.

III. U.S. POSITION

Our basic objectives are moderation of price swings, reduction of trade barriers, and the enhancement of food security through an international system of nationally held reserves.

The U.S. does not intend to return to the role of residual supplier and carry the world's stock. A Wheat agreement must take this into account and ensure that the burdens of imposing stability in the world market are shared.

IV. TALKING POINTS

- An arrangement on wheat is receiving priority attention in the U.S. This arrangement should provide for liberal and expanded trade, moderation of price fluctuations, and increased world food security, to include a system of nationally held international grain reserves.

- The U.S. welcomes Argentina's willingness to cooperate in the area of grain trade.

- The United States appreciates Argentina's constructive effort at the recent conferences on wheat in Manila, Ottawa, and London.

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